

So Ordered.

Dated: August 30th, 2018



Frederick P. Corbit
Frederick P. Corbit
Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re ...

PARADISE AMUSEMENTS, INC.,

Debtor.

No. **17-03362-FPC11**
Chapter **11**

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW RE:
CONFIRMATION OF AMENDED
PLAN OF REORGANIZATION**

This matter came on for hearing upon the Amended Plan of Reorganization that was filed by Paradise Amusements, Inc. ("Paradise") on July 20, 2018. The Court considered the comments of counsel, and the records and files herein, including the following:

- Order On Firestone And Debtor's Agreed Motion For Relief From Automatic Stay, Waiver Of Bankruptcy Rule 4001(A)(3), And Notice Thereof [*Dkt. No. 48*];
- Plan Of Reorganization [*Dkt. No. 62*];

- 1 ▪ Motion For Order Authorizing (1) Emergency Expedited Hearing;
2 (2) Extension Of Time To Confirm Chapter 11 Plan Of Reorganization
3 Under 1129(e); (3) Shortening Time For Notice And Objections;
4 (4) Notice Of Hearing; And Notice Thereof [*Dkt. No. 75*];
- 5 ▪ Amended Motion For Order Authorizing (1) Emergency Expedited
6 Hearing; (2) Extension Of Time To Confirm Chapter 11 Plan Of
7 Reorganization Under 1129(e); (3) Shortening Time For Notice And
8 Objections; (4) Notice Of Hearing; And Notice Thereof [*Dkt. No. 76*];
- 9 ▪ Declaration Of Sherry McKay In Support Of Amended Motion For
10 Order Authorizing (1) Emergency Expedited Hearing; (2) Extension Of
11 Time To Confirm Chapter 11 Plan Of Reorganization Under 1129(e);
12 (3) Shortening Time For Notice And Objections; (4) Notice Of Hearing;
13 And Notice Thereof [*Dkt. No. 79*];
- 14 ▪ Order Authorizing (1) Emergency Expedited Hearing; (2) Extension Of
15 Time To Confirm Chapter 11 Plan Of Reorganization Under 1129(e);
16 (3) Shortening Time For Notice And Objections [*Dkt. No. 84*];
- 17 ▪ Stipulated Order Re Motion For Relief From Automatic Stay [*Dkt.*
18 *No. 87*];
- 19 ▪ Motion For Order Allowing Combined Disclosure Statement And
20 Amended Plan And Conditionally Approving Disclosure Statement,
21 Notice Thereof And Notice Of Hearing If Necessary [*Dkt. No. 88*];
- 22 ▪ Disclosure Statement And Amended Plan Of Reorganization [*Dkt.*
23 *No. 95*];
- 24 ▪ Order Allowing Combined Disclosure Statement And Amended Plan,
25 Conditionally Approving Combined Disclosure Statement And
 Amended Plan, And Setting Deadlines And Confirmation Hearing [*Dkt.*
 No. 101] (the “Order of Conditional Approval”);
- List Classifying Claims And Interests [*Dkt. No. 102*];

- Notice Of Approval Of Combined Disclosure Statement And Amended Plan, And Matters Relating To Confirmation Of Amended Plan [*Dkt. No. 103*];
- Certificate Of Service [Via First Class U.S. Mail] [*Dkt. No. 104*];
- Objection To Proof Of Claim Of Allied Specialty Insurance, Inc. [Claim No. 7], Unsworn Declaration In Support Of Objection, And Notice Of Right To File Response [*Dkt. No. 116*];
- Report Of Balloting and Ballot Summary [*Dkt. Nos. 120 and 120-1*];
- Declaration Of Sherry McKay In Support Of Confirmation Of Amended Plan Of Reorganization (the “Declaration of McKay”); and
- Memorandum In Support Of Confirmation Of Amended Plan Of Reorganization [*Dkt. No. 126*];

Based on the foregoing, the Court enters the following FINDINGS OF FACT:

1. Paradise filed a Disclosure Statement And Amended Plan Of Reorganization (the “Plan”) on July 20, 2018.
2. On July 24, 2018, following appropriate motion and notice, the Court entered the Order of Conditional Approval.
3. Paradise transmitted the Order of Conditional Approval, the Plan, and related materials to the Master Mailing List on July 24, 2018.
4. Similar claims are classified appropriately in each class. The Plan provides the same treatment for each liquidated allowed claim or interest within a particular class.

1 5. Paradise did not solicit acceptances or rejections of the Plan except as
2 authorized by the Order of Conditional Approval.

3
4 6. The Plan provides for payment of the balance of any allowed priority non-tax
5 claims on the Effective Date of the Plan. Allowed priority tax claims shall receive full
6 payment of such claims within five (5) years of the petition date.

7
8 7. The Plan has been proposed in good faith and not by any means forbidden by
9 law.

10 8. The compensation of Davidson Backman Medeiros PLLC for services
11 rendered through the confirmation date will be subject to Court approval after notice and
12 hearing. Davidson Backman Medeiros PLLC will be employed after confirmation at its
13 normal and usual hourly rates, plus reimbursement for expenses.

14
15 9. Paradise will take all actions that are needed to implement the terms of the
16 Plan, and will then close this case. Sherry McKay shall remain the sole officer and director
17 of Paradise, has been paid gross compensation as provided in the Notice of Intent to
18 Compensate Insider filed herein on July 9, 2018 [*Dkt. No. 90*], and post-confirmation she
19 will be paid gross compensation of \$4,000.00 per week in September of 2018 and \$3,000.00
20 per week in October of 2018, and gross compensation of \$5,000.00 per week starting in
21 May of 2019 through October of 2019, and weekly from May through October of each
22 succeeding year thereafter. After the 2020 operating season, Paradise reserves the right to
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1 review Mrs. McKay's compensation and make any appropriate adjustments, without notice
2 to creditors or further Court approval.

3
4 10. The Plan provides for no rate changes after confirmation of the Plan with any
5 governmental regulatory commission with jurisdiction over the rates of Paradise.

6 11. Classes 3, 4, and 6 are impaired. All ballots cast by Class 6 claimants were
7 votes for acceptance of the Plan. No other ballots by any other class were filed.

8
9 12. As evidenced by the Declaration of McKay, as supplemented by her testimony
10 at the hearing on confirmation held on August 30, 2018, creditors will receive a greater
11 distribution under the Plan than creditors would likely receive if the assets of Paradise were
12 liquidated by a Chapter 7 Trustee or by any other means.

13
14 13. The Plan provides for the continued operations of Paradise and the
15 distribution of funds to the holders of liquidated Allowed Claims in accordance with their
16 statutory priority. There will be no need for further financial reorganization.

17
18 14. The Plan provides for payment of administrative claims upon allowance by
19 the Court or as otherwise agreed.

20
21 15. The Plan provides for payment of all U.S. Trustee fees when due, through the
22 closing of the case.

23 16. Paradise offers no retirement benefits.

24 17. No objections to confirmation of the Plan were filed.
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1 Based on the foregoing FINDINGS OF FACT, the Court enters the following
2 CONCLUSIONS OF LAW:

3
4 1. The Plan has been accepted in writing by the creditors and equity security
5 holders whose acceptance is required by law; and

6 2. The provisions of Chapter 11 have been complied with; the Plan has been
7 proposed in good faith and not by means forbidden by law; and

8
9 3. Each holder of a claim or interest has accepted the Plan or will receive or
10 retain under the Plan, property of a value, as of the Effective Date of the Plan, that is not less
11 than the amount that such holder would receive or retain if Paradise was liquidated under
12 Chapter 7 of the Code on such date, the Plan does not discriminate unfairly, and is fair and
13 equitable with respect to each class of claims or interests that are impaired under the Plan;
14 and
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16
17 4. All payments made or promised by Paradise by a person issuing securities or
18 acquiring property under the Plan or by any other person for services or for costs and
19 expenses in, or in connection with, the Plan and incident to the case, have been fully
20 disclosed to the Court and are reasonable or, if to be fixed after confirmation of the Plan,
21 will be subject to approval of the Court; and

22
23 5. The identity, qualifications, and affiliations of the persons who are to be
24 directors or officers, if any, of Paradise after confirmation of the Plan have been fully
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1 disclosed, and the appointment of such persons to such offices or the continued appointment
2 of such persons to such offices, or their continuance therein, is equitable and consistent with
3 the interests of the creditors and equity security holders and with public policy; and
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5 6. The identity of any insider that will be employed or retained by Paradise and
6 their compensation has been fully disclosed; and
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8 7. Confirmation of the Plan is not likely to be followed by the need for further
9 financial reorganization of Paradise; and
10

11 8. The Plan shall be substantially consummated pursuant to 11 U.S.C. § 1101(2)
12 upon commencement of distributions under the Plan, upon payment of all administrative
13 expenses upon allowance or as otherwise agreed, and upon the conclusion of all contested
14 matters.
15

16 /// End of Order ///

17 Presented by:

18 DAVIDSON BACKMAN MEDEIROS PLLC
19

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